

Agenda

Thursday 8 February 2024, 10.00am
Audit Scotland offices, 102 West Port,
Edinburgh, and online via Microsoft Teams
507th meeting of the Accounts Commission

1. **Apologies for absence**
 2. **Declaration of connections**
 3. **Order of business**
The Chair seeks approval of business, including proposing taking items 9 to 11 in private for the reasons set out on the agenda.
-

Business requiring decisions in public

4. **Minutes of meeting of 11 January 2024** Secretary
 5. **Briefing on the 2024/25 Scottish Budget** Executive Director of PABV
 6. **Work programme update - February 2024** Executive Director of PABV
-

Business for information in public

7. **Local government policy update report** Secretary
-

Any other public business

8. **Any other public business** Chair
The Chair will advise if there is any other public business to be considered by the Commission.
-

Business for information in private

9. **Chair's update – verbal update** Chair
 10. **Controller of Audit's update – verbal update** Controller of Audit
-

Any other private business

11. Any other private business

[Item may be required if there are any confidential matters that require to be discussed out with the public domain. The Chair will inform the meeting in public at the start of the meeting if this item is required and what it covers.]

Minutes and matters arising from previous meeting

Secretary to Accounts Commission

Item 4
Meeting date: 8 February 2024

Purpose

1. This paper presents for the Commission's approval the draft minutes of the previous meeting of the Commission along with a summary of matters arising from those minutes.

Recommendations

2. The Commission is asked to:
 - Approve the attached draft minute of its previous meeting.
 - Consider any matters arising from the draft minute.

Minutes

3. The minute of the previous meeting is in Appendix 1.
4. Members should note that the action tracker – available on the member SharePoint site and provided to members monthly – provides updates on progress from previous meetings.

Minutes

Thursday 11 January 2024, 9.30am

Audit Scotland offices, 102 West Port, Edinburgh, and
online via Microsoft Teams
506th meeting of the Accounts Commission

Present:

Ronnie Hinds (Interim Chair)
Malcolm Bell
Nichola Brown
Andrew Burns
Andrew Cowie
Carol Evans
Jennifer Henderson
Christine Lester
Angela Leitch
Ruth MacLeod
Mike Neilson
Derek Yule

In attendance:

Allan Campbell, Secretary to the Accounts Commission
Helena Gray, Controller of Audit
Gary Devlin, Partner, Risk Assurance, Azets (items 5 and 11)
Michael Wilkie, Director KPMG (items 6 and 12)
Matthew Moore, Audit Senior Manager, Public Sector North Scotland, KPMG (items 6 and 12)
Taimoor Alam, Manager, Public Audit, KPMG (items 6 and 12)
Gemma Diamond, Director of Innovation and Transformation (item 13)
Simon Ebbett, Communications Manager (item 13)
Michelle Borland, Head of Organisational Improvement (item 13)

1. Apologies for absence

There were no apologies for absence noted.

2. Declaration of connections

There were no declarations of connections.

3. Order of business

It was agreed that the following items be considered in private:

- Items 9 to 14, as they required the Commission to consider confidential policy matters.

4. Minutes of meeting of 14 December 2023

The Commission considered a report by the Secretary presenting the minutes of the meeting of 14 December 2023, including a summary of business arising from the minutes.

With no comments, the minutes of the meeting were approved as a correct record.

5. Statutory report – School accommodation for Dargavel

The Commission considered a report by the Controller of Audit on School accommodation for Dargavel.

The Controller of Audit introduced the report, providing background information including a brief timeline of events, summarising the key points of the council's response to the independent review (the 'Bowles report'), and highlighting some of her main conclusions.

The Controller of Audit also introduced Gary Devlin of Azets and thanked the auditors for their work on this issue to date.

The subsequent discussion was structured according to the following themes:

- Community and other engagement – including:
 - the council not yet having undertaken a review of the effectiveness of its engagement activities
 - the decision not to consult on the extension of Park Mains High School being in line with guidance – due to the council having determined there were no viable alternative options – but not meeting expectations in terms of community engagement.
- Learning lessons and building capacity – including:
 - the extent to which the findings of the Bowles report reflect the council's current position in terms of its governance arrangements, and its capacity to deliver major projects
 - the external expertise the council has sought in estimating future capacity needs, and its ability to manage the inherent risk and uncertainty.
 - the role of organisational culture in relation to learning and accepting challenge, the need for improvement and how to measure it.
- Impact on service provision – including:
 - any implications for other areas of service provision arising from the handling of the section 75 agreement and the errors made in estimating demand
 - the sources of assurance – inspections and other assessments – about the quality of education provision, and whether these are publicly accessible
 - the circumstances in which the council negotiated the revised section 75 agreement, and the level of oversight and assessment of Best Value. .

- Financial management and consequences, including:
 - the relationship between the concerns raised by the Bowles report about the management of Dargavel school provision, and the Annual Audit Report's finding of confidence in the council's financial management
 - whether the council ensures sufficient oversight of financial decisions and financial risks, and of the management of its capital programme
 - whether the council is reflecting in its financial plans the additional costs associated with building and running a new primary school and the implications of this on council services and its capital programme
 - the lack of effective collaboration and communication between different service areas, resulting in financial risks not being escalated appropriately.
- Council leadership, governance and culture, including:
 - the timescales, terms of reference and oversight of the council's review of governance arrangements, and its management development programme, and the role of these in providing assurance that past mistakes will not be repeated
 - the extent to which elected members were involved in decisions or raised questions, the relationship between them and senior officers, and the improvements in this relationship as identified in the Annual Audit Report
 - changes to the council's senior leadership team and the level of attention and oversight by them of the council's implementation of the action plan;
 - the extent to which individuals concerned can be held accountable for historic failings, and an understanding of the consideration that the council has given to this.

After discussion, the Commission agreed to consider in private how to respond to the Controller of Audit's report.

6. Best Value in Orkney Islands Council

The Commission considered an update by the Controller of Audit on Best Value in Orkney Islands Council.

During discussion,

- The Controller of Audit introduced the report and thanked the audit team, and the Interim Chair provided a brief summary of the key points from the Commission's 2017 Best Value Assurance Report on Orkney Islands Council.
- The Council's performance in relation to Local Government Benchmarking Framework indicators was discussed, including the extent to which there are inherent challenges and costs for an islands authority, including limitations on its capacity to deliver transformation of services, as well as opportunities available to Orkney including in relation to renewable energy and tourism. It was suggested it would be useful for reports to include performance comparisons with the family

groups of Councils with similar characteristics (such as, in this case, islands) identified in the Local Government Benchmarking framework

- The positive relationship between the council and residents was highlighted, along with its strong engagement with community planning partners. It was acknowledged that council services are well-received and there is an emphasis, in medium-term financial planning, on preserving this level of service as far as possible. The council's compliance with the Statutory Performance Information Direction was also praised.
- It was noted that there are a number of actions that the council 'will take' or needs to do, with discussion of the balance between its future, strategic planning and ensuring effective delivery of services at the present time. It was also pointed out that a number of actions have long timescales, with reassurance sought about milestones or activities in the meantime – these are in place as part of the council's overall Delivery Plan but not at service plan level.
- The council's Strategic Reserve Fund was discussed, in the context of the large budget gap projected over the next few years, as well as the time period in which the council intends to agree a sustainable approach to use of reserves. It was confirmed that the council intends not to use reserves to balance its budget in future years. Clarification was also sought about whether the £27.1 million figure in the report was a cumulative total of the budget gaps in each year – the audit team confirmed this.
- A question was asked about whether the council is likely to achieve its target of net zero by 2030, as it does not seem to be on course to do so currently. Concern was also raised about the recurring issue of slippage in delivery of capital projects. Regarding tackling inequalities, it was explained that there is a strong focus on this in the community plan and locality plan, with an emphasis on both achieving and demonstrating positive outcomes for individuals and communities.

After discussion, the Commission agreed to consider in private how to respond to the Controller of Audit's report.

7. Local Government policy update report

The Commission considered a report by the Secretary to the Accounts Commission providing an update on significant recent activity relating to local government.

During discussion,

- The Secretary provided a verbal recommendation that a response is not necessary to two of the consultations highlighted in the report, due to each of them coming at the early stages of policy development, and that there would be other opportunities to make comment on those subject matters in future. In response to a question from Jennifer Henderson it was agreed that the Commission support team will look to provide any further information.

Action: Commission Support Team

- Members welcomed the report, including its focus on the Scottish Budget.
- In light of the changes to proposals for the National Care Service (explained in the report), Christine Lester suggested the Commission ought to review its approach to

auditing Integration Joint Boards. It was noted that the Strategy Seminar may present an opportunity to discuss this further. The Interim Chair also highlighted the recent blog on the Commission's approach to the audit of social care.

- Angela Leitch suggested that the Commission keep 'on its radar' the issue of the impact of Scottish Government decisions on the delivery of the policy priorities it shares with local government, particularly in relation to inequalities. The Secretary advised there would be scope to reflect on this in the new suite of overview reports and potentially in the internal budget briefing expected to be provided to the Commission at its February meeting.
- The issue of differing comparisons between different years' budgets was raised – Mike Neilson asked whether this could also be addressed as part of the Commission's internal budget briefing in February.
- Ronnie Hinds advised that he would be happy to review a first draft of the response to the Wellbeing and Sustainable Development Bill if it was available before his term as Interim Chair ends on 31 January.

Following discussion, the Commission:

- Noted the report
- Agreed to the recommendations regarding responses to consultations.

8. Any other public business

The Chair, having advised that there was no business for this item, closed the public part of the meeting.

9. Chair's update report

The Commission considered a verbal update by the Chair providing an update on recent and upcoming activity.

- Ronnie Hinds confirmed the media arrangements for the upcoming Accounts Commission publications.
- Commission members discussed the upcoming strategy seminar agenda, and it was agreed the Commission support team would look at the potential of bringing some of the items into February's Accounts Commission meeting.

Action: Commission Support Team

Following discussion, the Commission:

- Noted the verbal update.

10. Controller of Audit's update report

The Commission considered a verbal update by the Controller of Audit on recent and upcoming activity.

Following discussion, the Commission

- Noted the verbal update.

11. Statutory report – School accommodation for Dargavel

The Commission considered a report by the Controller of Audit on School accommodation for Dargavel.

Following discussion, the Commission agreed to make findings and to request that the Controller of Audit seeks further information from the council on specific points, with the intention to publish the findings and points of enquiry on 18 January 2024.

The drafting of those findings and points of enquiry would be delegated to the Interim Chair and the Secretary on behalf of the Commission and would then be circulated to all members for comment, with responsibility for final sign-off resting with the Interim Chair.

The Commission also agreed to emphasise that it may decide to hold a public hearing, dependent on the council's response and progress over the coming months.

In discussing what the findings should include, it was agreed that they would be structured according to the following themes, in line with the earlier discussion:

- Community and other engagement
- Learning lessons and building capacity
- Impact on service provision
- Financial management and consequences
- Council leadership, governance and culture

It was also agreed to request that the Controller of Audit reports back to the Commission by June 2024 on any issues raised in the report that she thinks appropriate and on the further information and updates sought from the council.

12. Best Value in Orkney Islands Council

The Commission considered an update by the Controller of Audit on Best Value in Orkney Islands Council.

Following discussion, the Commission agreed to make findings to be published on 30 January 2024; the drafting of those findings would be delegated to the Interim Chair and the Secretary on behalf of the Commission and would then be circulated to all members for comment, with responsibility for final sign-off resting with the Interim Chair.

In discussing what the findings should include, the following general points were raised:

Welcoming the progress made by the council since the Best Value Assurance Report in 2017, including completing most of the actions it committed to following that report.

- Commending the council for its high-quality services, appreciated by residents, and praising its effective strategic planning and performance reporting – including good compliance with the Statutory Performance Information Direction.

- Recognising the challenges faced by the council as an islands authority – including in relation to staffing and capacity – and the opportunities offered by its range of responsibilities, natural resources, and positive relationship with communities.
- Expressing concern about the council’s ability to deliver on its future transformation plans, with a greater sense of urgency needed in financial planning, management of capital projects and tackling climate change.

Also expressing uncertainty about whether the council will be able to bridge its large projected budget gap without using reserves – bearing in mind the inherent costs associated with providing services to island communities, and the difficulty of achieving significant savings as a result – and urging the council to finalise its strategy for sustainable use of reserves earlier than its target date of March 2025.

- Seeking more clarity from the council as to whether it is on track to achieve its (ambitious) target of net zero by 2030, and on when it will publish a revised climate change strategy and action plan.
- Welcoming the council’s review of its community consultation and engagement but asking the council to conclude it sooner and to continue in the meantime to ensure regular, structured engagement with residents throughout the year.

13. Stakeholder research

The Commission considered a report by the Director of Innovation and Transformation and Communications Manager, who were accompanied in the meeting by the Head of Organisational Improvement.

During discussion,

- The targets listed in the current Communications and Engagement (C&E) Strategy were discussed, including benchmarks and how progress would be measured; it was explained that they will soon be reviewed as part of a refresh of the C&E Strategy.
- The Commission also discussed whether current targets for increased engagement and recognition were relevant, and the importance of trust in and the impact of the work of the Commission and the other public audit bodies.
- It was explained that stakeholder research work is used to inform discussions about the work programme – particularly in ensuring that where stakeholders raise an issue as a priority, it is appropriately addressed in audit work.
- Christine Lester commented on the lack of detail and information which referenced IJBs and requested more information on how IJBs will be engaged.
- Members expressed an interest in exploring options for engagement with third-sector organisations. Michelle Borland noted this and agreed to follow up with the Commission Support Team.

Action: Head of Organisational Improvement and Commission Support Team

Following discussion, the Commission

- Noted the analysis and information provided in the paper
- Agreed to gather MSPs' view through participation in the annual MSP survey undertaken by PA Advocacy
- Decided not to undertake a separate survey of councillors but asked officers to explore the Improvement Service's survey as an option.
- Decided not to undertake separate feedback research with local government Directors of Finance, and to use existing forums and engagement to source feedback

14. Any other private business

The Chair, having advised that there was no further business, closed the meeting.

15. Close of meeting

The meeting closed at 15.00.

Briefing on the 2024/25 Scottish Budget

Executive Director of Performance Audit
and Best Value

Purpose

1. This slide pack sets out the key facts from the 2024/25 Scottish budget, and the main messages this includes for local government. It also makes links between the budget and the Accounts Commission's work programme.

Recommendations

2. The Accounts Commission is invited to note the slide pack.

Background

3. The Scottish Budget was announced 19 December 2023. This is the first budget to be announced since the agreement of the Verity House Agreement between Scottish Government and COSLA, and the budget for local government reflects some changes made because of that agreement.
4. The funding included in the Scottish budget for local government has been widely discussed, with the proposed funded freeze for council tax receiving significant attention.

Conclusion

5. Overall, the local government budget increases in real terms compared to the budget for 2023/24, although different categories of spend show different trends.
6. The Accounts Commission's [Financial Bulletin 2022/23](#) highlighted the financial pressures on councils in recent years. The analysis included in the slide pack suggests that local government finance is likely to continue on the same trajectory as set out in the financial bulletin.
7. The budget process is currently ongoing, with the stage 1 debate taking place in the afternoon of 8 February. The bill is expected to pass in February and receive royal assent in March. The public finances team will continue to monitor the progress of the budget through parliament. We will update the Commission of any significant changes through the Local Government Policy Update Report.

Scottish Budget 2023/24 Accounts Commission Briefing

February 2023

 AUDIT SCOTLAND

2023 saw a change in leadership, high inflation, industrial action, and pressures on public spending

- The Scottish Budget announced 19 December followed on from the UK Autumn Statement 22 November
- The Scottish Government had committed to publishing multi-year budgets with the budget but did not do so, stating “it could be misleading to plan too far ahead across the board.”
- The budget process is ongoing – parliamentary committees are holding budget scrutiny sessions, and the stage 1 debate is planned for the afternoon of 8 February
- The bill is expected to pass in February and receive royal assent in March
- The UK Spring budget on 6 March will likely be the last before the General Election, and this could have implications for the Scottish budget during 2024/25
- This budget briefing:
 - sets the key messages included in the Budget pertaining to local government
 - links key announcements to SG priorities and the Commission's work

Financial bulletin shows pressure on councils

- The Financial Bulletin 2022/23 set out the financial pressures on councils in recent years, and councils still showed a budget gap for 2023/24. We note that reform of services will remain necessary to identify recurrent savings
- Funding from Scottish Government has increased as has ring-fenced funding in recent years. We note that the 2024/25 budget reduces ring-fenced funding
- Councils have placed an increased reliance on raising council tax to help deliver a balanced budget over the past two years. If councils agree to the proposed council tax freeze this will have important implications for the level of financial resources they have available in 2024/25.
- The bulletin recommendations for councils chime with budget developments, to:
 - Prioritise achieving recurring savings to enhance longer-term financial sustainability
 - Work with the Scottish Government to accelerate progress in the development of a fiscal framework for local government
 - Strengthen their monitoring and reporting of financial resilience

Pre-budget scrutiny and Scottish Government response

- The Local Government, Housing and Planning Committee (LGHPC) published its pre-budget scrutiny in late October. The Scottish Government responded to this alongside the budget.
- We have highlighted some key points for the pre-budget scrutiny below.

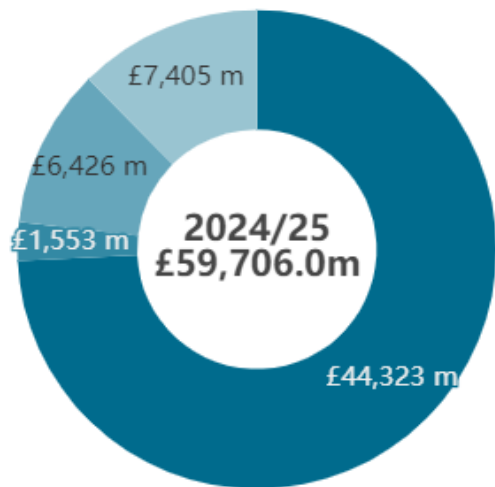
LGHPC recommendations	SG response
A fiscal framework for local government should be agreed as soon as possible to provide financial certainty for councils	The Scottish Government is committed to developing a fiscal framework, and has undertaken a first review of ringfenced funding for the 24/25 Budget
The Scottish Government should provide the flexibility and financial certainty for councils to effectively plan their workforces	The Scottish Government is committed to working with councils to ensure they can tackle workforce challenges, and has already undertaken some joint work in this area
The Scottish Government should formally respond to the Withers' Report on the skills gap in local authorities.	The Scottish Government has accepted many of the recommendations in the report, but some require further consideration before committing to them.

The Scottish Budget 2024/25

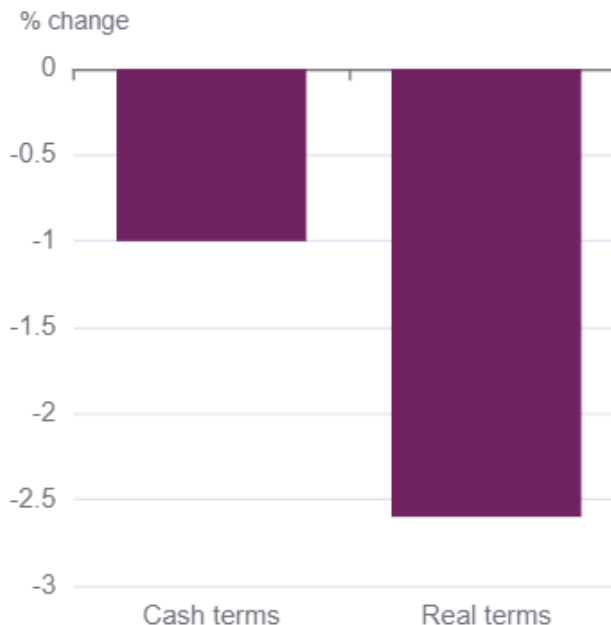
The Scottish Budget in 2024/25

The overall budget decreased by 1 per cent in cash terms and by 2.6 per cent in real terms

Funding by type in 2024/25



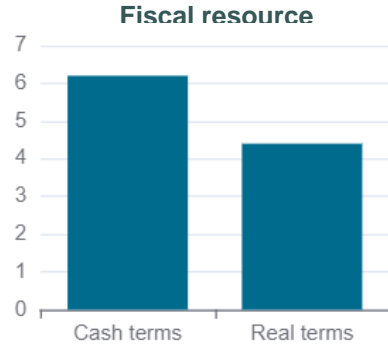
Change in total budget since last year



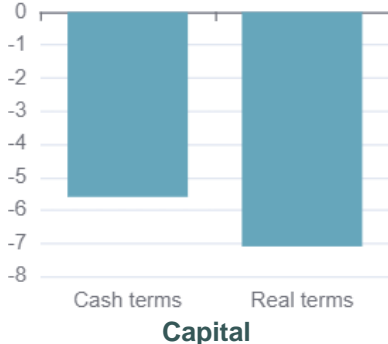
This change is calculated by comparing the budget announced in December 2022 for 2023/24 to the budget announced in December 2023 for 2024/25. This does not account for any changes to spending during the year.

Elements of the Scottish Budget in 2024/25

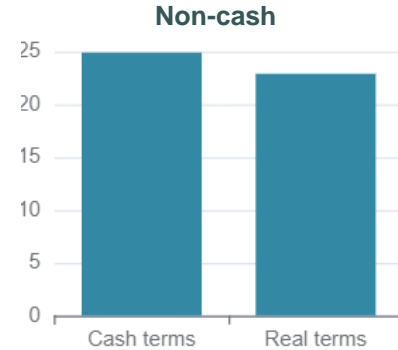
*The budget includes some elements that do not impact the Scottish Government's spending power
Fiscal resource (day-to-day spending) has increased, while capital has fallen*



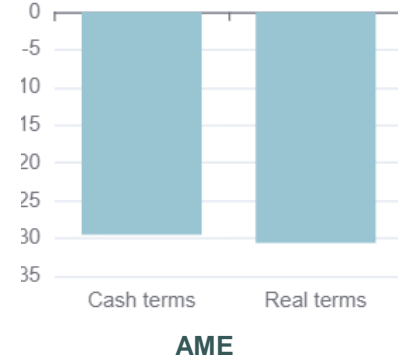
Fiscal resource is used for spending on the operating costs for public services. By far the largest area of the budget, this grew by 4.4% in real terms in 2024/25 compared to last year



Capital includes both 'capital', used to invest in capital projects, such as new hospitals or schools, and financial transactions, used to make loans. Financial transactions have fallen by over half since 2023/24



Non-cash covers costs such as depreciation – this does not affect Scottish Government spending power.



AME includes demand-led spending in areas such as NHS and Teachers' pensions; it is ring-fenced funding from the UK Government. This does not affect the Scottish Government's spending power. AME fell by 31%.

Source: [Audit Scotland Budget dashboard](#), Jan 24

Budget for local government

(figures in £ million)	Cash				Real (2023/24 prices)	
	2023/24	2024/25	£ change	% change	£ change	% change
General Revenue Grant (including baselined specific grants)	8,085	8,404	319	4%	180	2%
Non-Domestic Rates Income	3,047	3,068	21	1%	-30	-1%
<i>Total GRG & NDR</i>	11,132	11,472	340	3%	151	1%
Specific resource grants after baselining	230	239	9	4%	5	2%
Support for capital	608	477	-131	-22%	-139	-23%
Specific capital grants	139	121	-18	-13%	-20	-14%
Core Funding to Local Government	12,109	12,309	200	2%	-3	0%
Revenue funding in other portfolios to be transferred to LG	1,043	1,534	492	47%	466	45%
Capital funding in other portfolios to be transferred to LG	80	40	-40	-50%	-41	-51%
Total Local Government Settlement in the finance circular	13,231	13,883	652	5%	423	3%

Source: 2024/25 Scottish Budget, Tables A2.05 and A2.16; AS analysis

Scottish Government

- The budget statement sets out a 6% increase in overall funding to over £14bn
- This is in cash terms, based on the total settlement (£13.89bn) plus £144m for the council tax freeze.
- Scottish Government include £144m of funding held for agreement of Council Tax Freeze and £3.3m of administration costs in their spending plans.*
- If these figures are included, Core Funding increases by £344m compared to 2023/24, a 1% real terms increase.

COSLA

- COSLA's budget reality document suggests a £62.7m cash cut to core revenue funding
- This is calculated by taking the General Revenue Grant from 23/24 and adding on areas where additional funding is required
- Most of these are where funding has been baselined and is included in GRG for 2024/25 – but two areas (LG Pay, £266m, and Foster and Kinship Care, £16m) did not receive specific extra funding
- On this basis, GRG increased by £1,270m, short of the £1,332m expected by COSLA

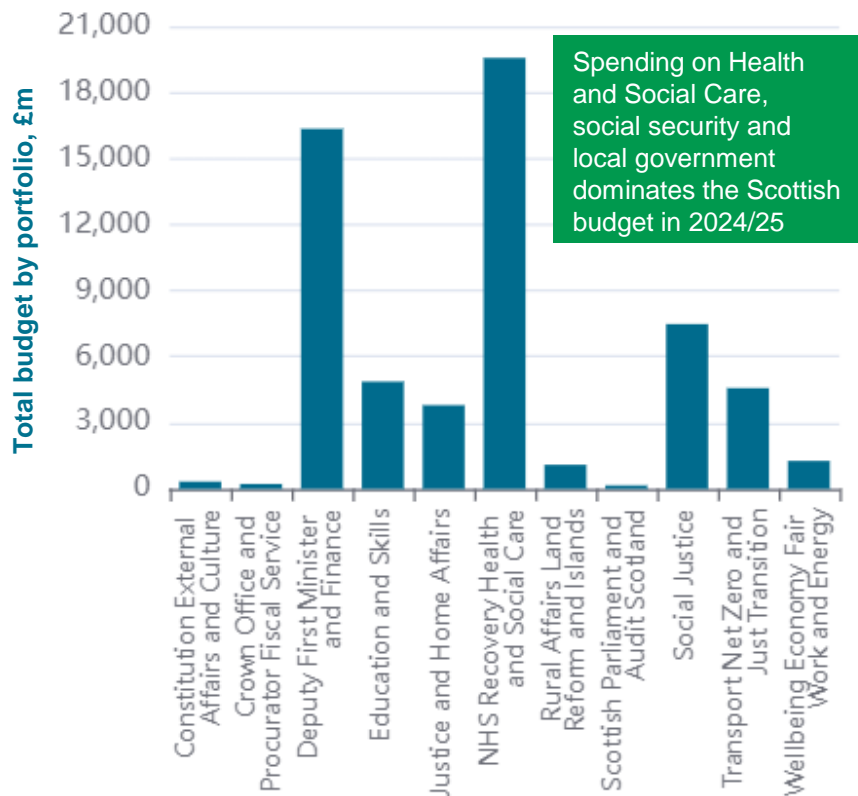
* We have excluded these in the table on slide 8, in line with Budget Table A2.16

- A New Deal with local government was a key pillar of the Scottish Government's reform agenda, as set out in its Medium-term financial strategy
- This was agreed in June and is known as the Verity House Agreement
- This set out that “[f]rom this point onwards, the default position will be no ring-fencing or direction of funding”
- Consequently, £951m of ring-fencing was baselined into the General Revenue Grant for 2024/25. This includes:
 - £521.9m of specific grants for Early Learning and Childcare
 - £429m in funding from other portfolios from 9 funding lines
 - The largest of these was for the Living Wage (£333.5m in 2023/24)
 - The smallest was £0.7m for the Blue Badge scheme
- The Scottish Government and COSLA continue to work on a fiscal framework for local government. An update from 14 December reports further work is needed to complete and agree upon a final draft.

Revenue funding from other portfolios £m cash terms	2023/24	2024/25
Health & Social Care	257	257
Teachers Pay	–	242
Living Wage	–	230
School Workforce	146	146
Care at Home	124	124
Health, Social Care & Mental		
Health	120	120
Discretionary Housing Payments	86	93
Carer's Act	61	61
Scottish Welfare Fund	41	41
Whole Family Wellbeing Fund	32	32

- 31 transfers will be made from other portfolios to local government in 2024/25
- This totals to £1.5bn– the table shows the largest
- Revenue funding from other portfolios has increased by £492m in cash terms since 2023/24
- 96% of this is for new pay costs – e.g. Teachers Pay deals agreed in-year in 2023 and new Living Wage commitments
- The majority of other funding lines stay flat in cash terms

Breakdown by portfolio



- Portfolios changed in 2023:
 - The Social Justice Housing and Local Government portfolio was split
 - Local government now is in the Deputy First Minister and Finance (DFM&F) portfolio
 - Social Justice is now its own portfolio – this covers issues including social security, third sector, housing, equalities
- The largest portfolios are NHS Recovery, Health and Social Care, and DFM&F
- Spending in DFM&F is split 76% local government, 21% pensions, and 3% other

- £144 million has been provided to councils by the Scottish Government to fund a freeze to Council Tax. The Scottish Government state this funding is equivalent to a 5% net increase in Council Tax nationally.
- COSLA has claimed that this is insufficient and have stated that £300 million would be needed to fully fund a 5% freeze.
- At a meeting of the Local Government, Housing and Planning Committee on 9 January, four local government directors of finance stated:
 - Considering cuts to other council budget areas, £144m covers an average 2.8% freeze
 - The interaction of reduced settlements and the floor mechanism will see some councils effectively receive no funding cover for the council tax freeze
- The floor ensures no council sees its funding fall by more than 1.04%. This means funding is redistributed – Fife's reduces by £10m; Glasgow's increases by £30m
- At time of writing, Argyll & Bute, Orkney and City of Edinburgh councils have suggested they may not accept the freeze.

LG taxes in the 2024/25 budget

- Changes announced to Non-domestic rates (NDR):
 - freezing the Basic Property Rate (poundage) at 49.8p
 - increasing the Intermediate Property Rate to 54.5p
increasing the Higher Property Rate to 55.9p
 - 100% Hospitality Relief for Scottish Islands
Properties capped at £110,000 per ratepayer
 - Enterprise Areas relief phased out over 2 years
- The DFM noted she could not match the UK 75% rates relief to retail, hospitality and leisure.
- Fraser of Allander report that Scottish Government may receive £230m in Barnett Consequentials as a result of the UK rates relief, and forecast it could have cost Scottish Government £360m to match the policy
- Scottish Government have committed to exploring the reintroduction of a NDR Public Health Supplement for large retailers

Scottish Fiscal Commission forecast for NDR

£ million	2024/25
Baseline	3,176
Basic Property Rate	-199
Intermediate Property Rate	22
Higher Property Rate	149
Policy recostings	-2
Scottish Islands Hospitality Relief	-4
Enterprise area costing	0
NDR forecast with policy changes	3,143

Source: *SFC Economic and Fiscal Forecasts*, Dec 23

New taxes under consideration relevant to local government

- **Visitor Levy:** the Visitor Levy bill passed Stage 1 in Parliament in mid-January. This gives local authorities the power to introduce a visitor levy on the overnight accommodation cost, with the rate set by the local council. This is likely to be implemented in 2026.
- **Devolved Building Safety Levy:** used to fund the Cladding Remediation Programme, replicating the UK levy. Scottish Government propose to bring in the levy on a national basis collected by Revenue Scotland, whereas in England revenue will be collected by local authorities. UK Government has released a [consultation](#).
- **Cruise Ship Levy:** the Scottish Government are exploring if such a levy can be included in the Visitor Levy Bill. It is not clear what the rules of Cruise Ship Levy would be.
- **Land management:** commitment to consider a proposal for a Carbon Emissions Land Tax, a proposal by the [John Muir Trust](#). It is not clear how this would be administered.
- **Infrastructure Levy:** Scottish Government will continue to work over the coming year to explore an Infrastructure Levy (paid when planning is approved), to be implemented by spring 2026. The [Minister for Social Security and Local Government](#) has commented in the past that this would give local authorities an additional mechanism for seeking financial contributions towards the cost of infrastructure. Policy development is at an early stage.

Links between the 2024/25 budget and the Commission's work programme

What the budget means for the Commission's work programme, 2024/25 (1)

Product	Developments related to the 2024/25 budget
Digital exclusion (joint)	SG has committed to investing £10 million capital in targeted device and connectivity provision for our most disadvantaged households with children.
Integration Joint Board Report 2024 (AC)	SG has committed to increasing pay for adult social care workers to £12/ hour, costing over £200 million. The budget document does not make clear how much has been set aside for the National Care Service.
Best Value thematic report: Leadership (AC)	Director of Finance evidence at the Local Government, Housing and Planning Committee Budget Scrutiny Session identified that “Recruiting at senior and professional level is virtually impossible” in local government.
Drug and alcohol services (joint)	Funding for Drugs and Alcohol policy is flat in cash terms, compared to 2023/24
Additional support for learning (joint)	Funding for Additional Support for Learning is flat in cash terms (£15m)
Sustainable transport (joint)	Transport capital funding for local government outwith the core settlement has been cut, with funding no longer provided for the Future Transport Fund (£33m in 23/24); Support for Sustainable and Active Travel (£1m in 23/24); or Travel Strategy and Innovation (£12.9m in 23/24)

What the budget means for the Commission's work programme, 2024/25 (2)

Product	Developments related to the 2024/25 budget
Spotlight on homelessness services (AC)	Flat cash funding to LG for the Homelessness Prevention Fund (£30.5m). In addition, the Scottish Government commits to “invest £35 million in specific action to end homelessness and reduce the number of households living in temporary accommodation”. More widely, the budget for Affordable Housing has been cut by £200m – this has generated a strong reaction from stakeholders. SPICe cover these issues in their recent blog .
LG Workforce (AC)	Scottish Government commits to funding the £12 per hour real Living Wage for adult and children's social care and early learning and childcare workers in the private, voluntary and independent sectors who deliver funded provision. GRG includes a £120.6 million Capital to Revenue switch in 2024/25 to help fund pay deals. SPICe note that this £120.6 million was in the capital budget line in 2022/23 and 2023/24, even though it was subsequently transferred to support the revenue budget. The flexibility to support this is set out in circulars 12/2022 and 6/2023 .
Adapting to Climate Change (joint)	Funding for the Just Transition Fund fell from £50m in 2023/24 to £12.2m for 2024/25. As set out above, capital funding for LG has fallen significantly in year. Financial transactions allocated to the Scottish National Investment Bank will fall from £238m in 2023/24 to £174m in 2024/25.

What the budget means for the Commission's recent outputs

Product	Developments related to the 2024/25 budget
Early learning and childcare: Progress on delivery of 1,140 hours expansion	Funding the £12 per hour real Living Wage for early learning and childcare workers. As set out above, £521.9 m of funding for ELC has been baselined for local government. A case study of the equalities and human rights impact of ELC funding was provided this year alongside the budget (see below)
City Region and Growth Deals - Progress report	City Deals funding is flat in cash terms at £100m in 2024/25.
Adult mental health services	NHS mental health spending is flat in cash terms at £290m in 2024/25, as is the £120m Health, Social Care & Mental Health transfer to Local Government and £15m of funding for Community Mental Health & Wellbeing. In 2022/23 and 2023/24 local government received £3.7m for Mental Health Recovery and Renewal, but no further funding was provided for this line in 2024/25

Key themes for local government from the 2024/25 budget

LG finance is likely to continue on the same trajectory as set out in last month's financial bulletin

- Overall, the local government budget increases in real terms compared to the budget for 2023/24, although different categories of spend show different trends
- Councils continue to identify pressures due to inflation – “This is a Budget which will mean job losses” (COSLA's Resources Spokesperson Councillor Katie Hagmann)
- Workforce remains a key pressure for local government, as will be covered in next year's BV thematic report
- Capital spending is increasingly under pressure, with implications for central and local government joint priorities
- “capital budgets are reducing... [a]s such, working towards a net zero future may have become even more challenging for Scotland's councils.” (SPICe). This will be significant for the upcoming Sustainable Transport output
- The lack of multi-year budgets or significant progress on the local government fiscal framework suggests that the issues raised in the financial bulletin are unlikely to change in the near-term.

Equality & Fairer Scotland Budget Statement (EFBS) (1)

- The EFBS looks at the impact of the Budget on people in Scotland. The approach has changed since last year, making it harder to map changes over time
- For each portfolio, the EFBS sets out what is known about existing inequalities, and how Programme for Government priorities contribute to tackling these inequalities, linking to relevant information
- Local government sits within the Deputy First Minister and Finance portfolio, and the EFBS does not comment on the detail on the equalities impact of local government spending.
- It does note that the work is continuing on the Verity House Agreement, and that “this work will support a wide range of activity that will directly and indirectly tackle inequalities.”
- It also notes that funding for local government takes account of issues such as demographics and disadvantage and allocates resources based on relative need.
- SPICe note that “Unlike the equivalent analysis accompanying the 2023/24 Budget, there is no analysis of the impact of how spending has changed”
- SPICe also note that the EFBS does not set out the impact on inequalities of the trade-offs that had to be made when the budget was set

Equality & Fairer Scotland Budget Statement (EFBS) (2)

- The EFSBS this year this includes 8 case studies across a range of budget lines, considering equalities and human rights questions
- We have summarised the case studies on alcohol and drugs policy and early learning.

Alcohol and Drugs Policy (£99.1m in 2024/25): Summary of case study

What outcome is the policy and associated budget decision aiming to achieve? The overall aim of the National Mission is to reduce drug deaths and improve the lives of those impacted by drugs. All funding is agreed to, and distributed with the intent of achieving the overall aim and 6 supporting outcomes.

What do you know about existing inequalities of outcome in relation to the budget area? The case study sets out the known evidence around drug deaths inequalities – particularly in relation to deprivation.

How will your budget decisions impact upon different people and places? The majority of drug and alcohol funding to local areas is distributed on a National Resource Allocation (NRAC) formula to prioritise areas of most need.

How will your budget decisions contribute to the realisation of human rights? The increase of funding into drug policy represented a 67 per cent increase in funding from 2014-15 to 2022-23 in real cash value terms.

Could the budget be used differently to better address inequalities of outcome and advance human rights?

Scottish Government are supporting the development of a Charter of Rights for people affected by drugs and alcohol. This will set out how existing rights, and rights in the forthcoming Human Rights Bill apply for people affected by substances.

How will the impact of the budget decisions be evaluated? A set of metrics is under development which will be used to monitor progress towards the National Mission Outcomes. The National Mission is being independently evaluated by Public Health Scotland (PHS), ensuring that the evidence around impact is considered in a balanced and objective way.

Early Learning and Childcare (£996m in 2024/25): Summary of case study

What outcome is the policy and associated budget decision aiming to achieve? 3 outcomes have been set, and mapped against the National Performance Framework to show where evidence suggests childcare has the most impact.

What do you know about existing inequalities of outcome in relation to the budget area? The current ELC Census collects data on whether a child is recorded as disabled, whether they have an Additional Support Need (ASN) and whether the child's home language is not English. A new ELC Census is being developed. Wider sources of data are quoted.

How will your budget decisions impact upon different people and places? There is strong evidence that children from disadvantaged backgrounds benefit most from high quality ELC programmes.

How will your budget decisions contribute to the realisation of human rights? ELC provision must be delivered in a way that ensures equality of access for, and accounts for the varying needs of, all children. The Scottish Government's practice guidance 'Realising the Ambition: Being Me' has a focus on valuing and upholding the rights of children.

Could the budget be used differently to better address inequalities of outcome and advance human rights?

Scottish Government have plans in place to fully evaluate the outcomes achieved by the '1140' expansion by 2025. Given this, and the fact that ELC funding supports statutory provision, Scottish Government suggests there is likely to be limited scope to use the ELC budget differently.

How will the impact of the budget decisions be evaluated? The Scottish Study of Early Learning and Childcare (SSELC) is the main vehicle for collecting evaluation evidence. The SSELC is a cross-sectional and longitudinal study, designed to evaluate the impact of the ELC expansion on child and parent outcomes. Baseline data was collected during 2018 and 2019 from children and parents accessing 600 hours of funded ELC and the same data will be collected during 2023 and 2024 from a sample of children and parents accessing 1,140 hours.

Appendix: Changes in portfolios

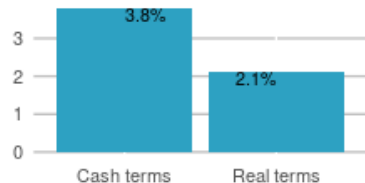
The slides below show the changes in the budget for 2024/25 compared to 2023/24 for the 9 main Scottish Government portfolios. These slides do not include the small portfolios relating to the Crown Office and Procurator Fiscal Service, the Scottish Parliament and Audit Scotland.

This analysis only covers resource and capital (including financial transactions), and does not include AME or non-cash. The balance of capital and resource funding varies across portfolios.

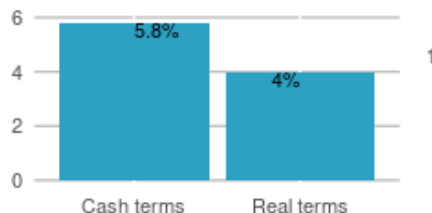
Portfolio changes and key announcements (1)

% change

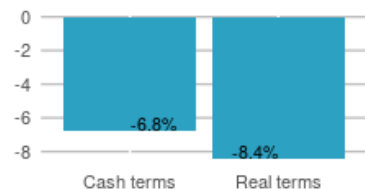
Deputy First Minister
and Finance



Constitution External
Affairs and Culture



Wellbeing Economy Fair
Work and Energy



Key announcements

Deputy First Minister and Finance (now includes local government)

- £144 million to freeze council tax in 2024/25
- £1.5 million for councils to cancel school meal debt
- £230 million for Living Wage in Health and Social Care and ELC

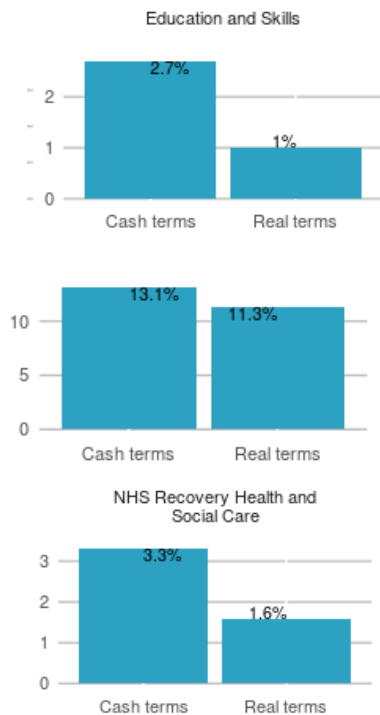
Constitution, External Affairs and Culture

- Increase of £15.8 million for culture, part of a commitment to invest additional £100 million in the sector by 28/29

Wellbeing Economy, Fair Work and Energy

- Additional £47 million of capital for R100 project
- Continued support for Ferguson Marine, but lower than in 23/24
- Reductions to Scottish National Investment Bank funding

% change



Key announcements

Education and Skills

- £200 million to address the poverty-related attainment gap
- £43 million of capital to support the expansion of free school meals
- Additional £21 million to support £12/ hour pay for ELC staff

Justice and Home Affairs

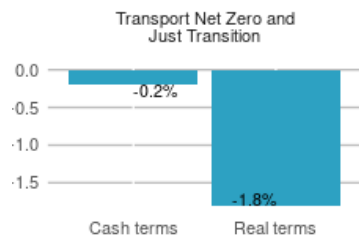
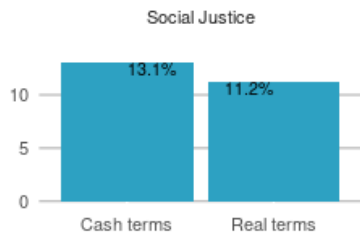
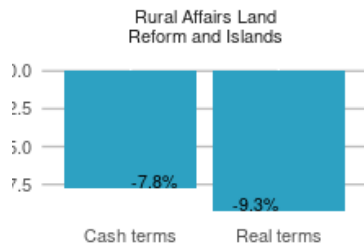
- An additional £70 million of capital for HMP Highland and Glasgow
- 6.4% (cash, £90m) increase to the policing budget
- Additional £30 million for Scottish Fire and Rescue Service

NHS Recovery, Health and Social Care

- £14 billion for NHS Boards
- £1 billion for budget line National Care Service / Adult Social Care
- Additional funding for social care staff pay to at least £12/hour

Portfolio changes and key announcements (3)

% change



Key announcements

Rural Affairs, Land Reform and Islands

- All areas except Rural Services and Forestry and Land have seen reductions to their budgets in cash terms
- Additional £4 million for Forestry and Land Scotland

Social Justice

- Additional £1 billion for social security payments
- All devolved benefits uprated by 6.7% (CPI rate of inflation)
- 42% increase in funding for cladding remediation

Transport, Net Zero and Just Transition

- Funding for energy efficiency upgrades held flat in cash terms
- Additional £10m of capital for A9 dualling and A83 improvements
- Climate Change budget line funding reduced by 49% (cash terms)

-
- This pack draws on data released in advance of the budget by the Office for Budget Responsibility (OBR), UK Government (UKG) and Fraser of Allander (FAI)
 - It includes analysis of the Scottish budget as announced 19 December, and the Scottish Fiscal Commission (SFC) forecasts published alongside the budget
 - It also reflects commentary by Scottish Parliament Information Centre (SPICe) published after the budget
 - We have used Audit Scotland's [new SG budget analysis dashboard](#) developed by our data analytics team.

Work programme update – February 2024

Executive Director of Performance Audit
and Best Value

Item 6

Meeting date: 8 February 2024

Purpose

1. This paper introduces the joint Auditor General for Scotland (AGS) and Accounts Commission work programme update.

Recommendations

2. The Commission is invited to:
 - note the progress delivering the work programme from September 2023 to January 2024 (slides 5 and 6 of Appendix one)
 - note the planned products up to May 2024 (slide 7 of Appendix one)
 - agree the additions proposed to the programme (slides 8-9 of Appendix one)
 - feedback on confirmed and pipeline audit work (slides 10-14 of Appendix one), noting that this is flexible and can be revisited as part of future work programme updates.

Background

3. In April 2021 the AGS and the Commission agreed a joint dynamic work programme. We published this on the Audit Scotland website on 24 May 2021, updating for changes since then. Updates were previously presented to the AGS and the Commission on a quarterly basis. This update is the first of the newly revised triannual updates, with the next update anticipated in June 2024.
4. This update summarises recent products as well as proposed changes to the programme, including the resource impact of those proposed additions.
5. In December 2023 the Commission considered how the products within the dynamic work programme align with the Accounts Commission's revised strategic priorities, including a high-level overview of how resources are currently being targeted towards each priority area. The Commission may wish to reflect on this when considering and agreeing any changes to the programme.

Considerations

6. Appendix one presents the work programme update. It aims to provide one report that meets the needs of the AGS and Commission, with clarity on who is producing which products and when. It includes:
 - **What we've delivered:** From September 2023 to January 2024.

- **What's coming up:** Planned audit products from February 2024 to May 2024, and all other agreed and pipeline audit products.
 - **Decisions required:** Proposed changes to the programme.
7. In this update we have proposed adding five new Commission products to the programme. This includes four LG 24 products in line with a new strategic approach to future local government reporting endorsed by the Commission in October 2023:
- New - Council performance commentary blog
 - Refocused – Local Government in Scotland: Challenges, risks and opportunities
 - New – Council budget analysis
 - New – Service spotlight on homelessness services
8. It also includes one joint briefing paper with the AGS on Care Experienced Children and Young People. The estimated costs of these products are summarised in the table below.

Proposal	Estimated cost 2023/24 £000	Estimated cost 2024/25 £000	Estimated cost 2025/26 £000	Total estimated cost £000
Add: LG24 council performance blog	18	-		18
Add: LG24 CRO overview report	162	20		182
Add: LG24 Council budget analysis -		18		18
Add: LG24 Service spotlight - homelessness	-	79		79
Add: Care experiences children and-young people briefing		50	75	125
Total	180	167	75	422

Note: Where a product is published jointly with the AGS the 50% of the estimated costs are assigned to the Accounts Commission and are shown above.

9. The annual capacity available for the Commission's work programme is £2,000k. Agreeing to these proposals would commit a further £180k in 2023/24, £167k in 2024/25 and £75k in 2025/26. This would bring total estimated commitments to £1,969k in 2023/24, £1,680k in 2024/25 and £991k in 2025/26. This means that available capacity for potential products would be £31k in 2023/24, £320k in 2024/25 and £1,009k in 2025/26. These amounts reflect the estimated costs of all products previously approved.
10. In line with existing practice, the approval of proposals for the addition of joint products to the work programme is subject to agreement with the AGS.

Resourcing the work programme

11. We continue to improve and refine our budget and cost data for performance Audit and Best Value work and provided a full update of the resourcing position for 2023/24 and 2024/25 to the Commission for the first time in December 2023. We have updated this summary of the

resourcing position as attached at appendix 2, reflecting the latest assessment of resource requirements. The overall position in relation to confirmed and proposed audits is as set out in paragraph 9 above.

- 12.** If all products currently in the pipeline were to be approved at future Commission meetings this would mean a small overcommitment of £66k in 2024/25. We consider that this is manageable within existing resources. The confirmed position for 2024/25 will depend on future choices made by the Commission in relation to the audits currently included in the pipeline, alongside any other emerging proposals. In December 2023 the Commission agreed that the planned Strategy Seminar in March 2024 is a good time to consider in detail the pipeline products and how to ensure the best balance across its five priorities.

Dynamic work programme – triannual update for Accounts Commission

February 2024

AUDITOR GENERAL 

ACCOUNTS COMMISSION 

- We delivered 11 Accounts Commission products and one joint audit product between Sept 2023 and January 2024, and there are a further six Accounts Commission products/events confirmed between February and the next triannual update due in May 2024.
- This work programme update proposes adding four Accounts Commission products and one joint AGS/Accounts Commission product to the programme (slides 8 and 9). The AGS is also considering adding one AGS product to the programme.
- Slides 10-14 outline how we are continuing to develop the longer-term work programme, showing all confirmed and pipeline products through to 2025/26 and beyond.
- Agreeing the proposals for Commission and joint products on slides 6 and 7 would commit a further £180k in 2023/24, £167k in 2024/25 and £75k in 2025/26. This would bring total commitments to £1,969k in 2023/24; £1,680k in 2024/25 and £991k in 2025/26 v estimated annual capacity of £2,000k.

What guides our planning and delivery...

Providing assurance and driving improvement

We will use our unique local and national perspective to provide assurance about how Scotland's public services are responding to current and systemic challenges. We will aim to provide insight and learning, and drive improvement, innovation and transformational change.

Taking a person-centred approach

Where possible and appropriate, we will capture the needs and concerns of the people who use public services through our audit work.

Integrating cross cutting issues

We will integrate thinking on issues that cut across policy areas and have an impact on citizens and service users throughout our audit work. For example: prevention, digital, inequality and human rights, climate change, community engagement

Taking a risk-based and proportionate approach

We recognise the potential impact of audit work on people working in public services. We will ensure our audit response is proportionate and risk-based, and that audited bodies have clear advance notice of any planned work.

Being flexible and agile

We will adapt our work programme as new issues emerge or risks change. We will use a range of approaches to report our audit work.

Reform & sustainable services

- Fiscally sustainable public services in context of rising demand and financial constraints; increasing efficiency and reducing costs; reducing long term demand through prevention.
- Improved outcomes, reduced inequalities of outcome, supporting the most vulnerable.
- Reform and innovation across the system and in individual public bodies.
- Workforce, skills & capacity.

Public finances

- Levels, sources and volatility of tax revenues, funding and public spending.
- Financial sustainability of public bodies; financial balance; affordability.
- Effective financial management; ensuring value for money; delivering positive outcomes.

Economic growth & wellbeing

- National economic strategy, support for business; green economy; skills, innovation and productivity; collective wellbeing of current and future generations.
- Economic development; supporting and enabling investment; growing the tax base.
- Place based/ regional economic growth.



Environmental sustainability & climate change

- Delivering climate change commitments and related issues of environmental sustainability.
- Just transition to net zero.
- Adaptation and the costs of climate change.

Inequalities & poverty

- Tackling poverty
- Lessening the impact of inequalities on different communities.
- Health and social care services.

People & communities

- Relationships between public bodies and the people and communities they serve.
- Lived experience; impact of actions and decisions on different individual and groups.
- Partnership working, community planning and third sector involvement.

What has been delivered since last update: Sept 2023 to Jan 2024

Statutory Reports

BV CoA Report: South Ayrshire Council

BV CoA Report: Dundee City Council

BV CoA Report: Dumfries & Galloway

BV CoA Report: Orkney Islands Council

S22: Scottish Government Consolidated Accounts

S22: NHS Forth Valley

S22: Scottish Prison Service

S22: Water Industry Commissioner

S102: Renfrewshire Council (Dargavel Village)

Performance Audits

Adult Mental Health

Briefings

Scotland's Colleges 2023

Approaches to achieving net zero across the UK

Investing in Scotland's Infrastructure

The Scottish Government's workforce challenges

Local Government in Scotland: Financial Bulletin
2022/23

Key:

Auditor General for Scotland

Accounts Commission

Joint – Auditor General and Accounts Commission

Audit Scotland

Cont..

What has been delivered since last update: Sept 2023 to Jan 2024 Cont..

Blogs

Best Value in Scotland

Tough decisions ahead on climate change

A renewed focus on the sustainability of social care

How the Accounts Commission holds local government to account

Other Audit Products

20 years of Best Value auditing in Scotland

Gender pay gap report 2023

Annual diversity report 2022/23

Environment, Sustainability and Biodiversity 2022/23

Administration of Scottish Income Tax 2022/23

Accounts Commission Strategy 2021-26: 2023 update

Key:

Auditor General for Scotland

Accounts Commission

Joint – Auditor General and Accounts Commission

Audit Scotland

What's coming up before the next update: Feb to May 2024*

Statutory Reports
S22 Colleges (TBC) (March)
BV CoA Report: West Dunbartonshire Council (May)
BV CoA Report: Clackmannanshire (May)

Performance Audits
Decarbonising heat in homes (Feb)
Digital exclusion (May)

Key:

- Auditor General for Scotland
- Accounts Commission
- Joint – Auditor General and Accounts Commission
- Audit Scotland

Briefings
National Strategy for Economic Transformation (Feb)
AGS budget briefing (Internal) (Feb/March)
LG budget briefing (Internal) (Feb/March)

Overview reports
NHS in Scotland 2023 (Feb)

Blogs
Council Performance Commentary [PROPOSED] (April)

Events
Social Care Roundtable (Feb)

Other Audit Products
Annual Assurance and Risks Report (AARR) (March)

*Months in brackets in tables are indicative publication months

Summary of proposed changes to programme

Change	Detail
Adding	<p>Council performance commentary (LG24) (AC): As discussed with the Commission in October 2023, we propose adding a short blog on comparative local government performance and key service issues facing local government. This proposed new output would build on and complement the Improvement Service (IS)/SOLACE’s annual national report on the Local Government Benchmarking Framework (LGBF) and would set out the Commission’s own judgements and commentary on councils’ service performance. Proposed publication date: April 2024.</p>
	<p>Local Government in Scotland: Challenges, risks & opportunities (LG24) (AC): We are proposing that the current local government overview report be redesigned and repositioned as a shorter more impactful analysis of the key opportunities, risks and challenges facing the local government sector. This new style report would build on the intelligence and themes emerging from the internal Annual Assurance and Risk Report (AARR), Best Value audit findings and other key data sources and which is used by the Commission to both identify Best Value thematic work and inform its wider work programme. Proposed publication date: July 2024.</p>
	<p>Council budget analysis (LG24) (AC): Our current reporting approach draws on audited accounts which means that the data we report lags a year behind the contemporary financial position facing councils at the point of publication. We propose that more timely council budget analysis should be undertaken much earlier in the year - just after council budgets are set - drawing on analysis of agreed budgets alongside other sources to provide a more timely overview of council budget pressures. A separate output of this kind would, we consider, have greater relevance and impact. Proposed publication date: April/May 2024.</p>
	<p>Service spotlight on homelessness services (LG24) (AC): We are proposing a new extended case study type output not a traditional performance audit. The output would focus on a specific local government service area, in this case homelessness, and give the Commission the opportunity to take a deep dive into how the themes in the CRO report (e.g., innovation, reform, place) are being addressed or impact on the service area as well as providing commentary on service performance, risks and good practice. Proposed publication date: TBC – 2nd half of 2024/25.</p>

Summary of proposed changes to programme cont..

Change	Detail
Adding	<p>Scottish National Investment Bank (AGS): Scottish National Investment Bank (AGS): The Auditor General endorsed the inclusion of a Performance Audit on the SNIB at the PIEE cluster update in December 2023. The work is likely to include an early assessment of corporate governance arrangements, the extent to which the Bank is delivering its missions, how its activities and emerging portfolio of investment aligns with these and how the Bank is evaluating the impact of investments.</p> <p>Care Experienced Children and Young People (Joint): We propose adding a briefing paper to the programme focused on delivering improved outcomes for care experienced people, as set out in The Promise. Potential areas of interest are governance and accountability for delivering The Promise, information and data to monitor progress and impact, and funding. Work on this briefing would start mid/late 2024 and we will aim to publish mid- 2025.</p>

Summary of agreed products

Q4 2023/24

Product	Type	Author	Proposed Publication Q/Y
BV Controller of Audit report: Orkney Islands Council	STAT	AC	Q4 2023/24
Social Care Roundtable	EV	AC	Q4 2023/24
Decarbonising heat in homes	PA	AGS	Q4 2023/24
National Strategy for Economic Transformation	BR	AGS	Q4 2023/24
NHS in Scotland 2023	OV	AGS	Q4 2023/24
AGS budget briefing – 2024/25 Scottish Budget (Internal)	BR	AGS	Q4 2023/24
AC budget briefing – 2024/25 Scottish Budget (Internal)	BR	AC	Q4 2023/24
College S22s TBD – none currently confirmed	STAT	AGS	Q4 2023/24
Annual Assurance and Risks Report (AARR) (Internal)	AR	AC	Q4 2023/24

Summary of agreed products

Q1&2 2024/25

Product	Type	Author	Proposed Publication Q/Y
BV Controller of Audit report: West Dunbartonshire Council	STAT	AC	Q1 2024/25
BV Controller of Audit report: Clackmannanshire Council	STAT	AC	Q1 2024/25
Digital exclusion	PA	Joint	Q1 2024/25
Integration Joint Board Report 2024	OV	AC	Q1 2024/25
Accounts Commission annual report	AR	AC	Q1 2024/25
Best Value thematic report: Leadership	BR	AC	Q1 2024/25
Council Performance Commentary (LG24) [PROPOSED]	BL	AC	Q1 2024/25
Local Government in Scotland CRO (LG24) [PROPOSED]	OV	AC	Q1 2024/25
S102: Renfrewshire Council (Dargavel) – Update	STAT	AC	Q1 2024/25
Council Budget Analysis (LG24) [PROPOSED]	BR	AC	Q2 2024/25
BV Controller of Audit report: Moray Council	STAT	AC	Q2 2024/25
BV Controller of Audit report: Falkirk Council	STAT	AC	Q2 2024/25
Drug and alcohol services	PA	Joint	Q2 2024/25
Service spotlight – Homelessness [PROPOSED]	PA	AC	Q3 2024/25

Summary of agreed products

Q3&4 2024/25

Product	Type	Author	Proposed Q/Y
Primary care performance audit	PA	AGS	Q3 2024/25
Additional support for learning briefing	BR	Joint	Q3 2024/25
Sustainable Transport	PA	Joint	Q3 2024/25
Making the most of public money	PA	AGS	Q3 2024/25
Local Government Workforce	BL	AC	Q3 2024/25
BV Controller of Audit report: City of Edinburgh Council	STAT	AC	Q3 2024/25
BV Controller of Audit report: Scottish Borders Council	STAT	AC	Q3 2024/25
BV Controller of Audit report: Fife Council	STAT	AC	Q3 2024/25
BV Controller of Audit report: Renfrewshire Council	STAT	AC	Q3 2024/25
S102: Glasgow City Council Equal Pay Update	STAT	AC	Q3 2024/25
Annual Assurance and Risks Report (AARR) (Internal)	AR	AC	Q4 2024/25
Local Government in Scotland: Financial Bulletin 2023/24	BR	AC	Q4 2024/25
BV Controller of Audit report: Highland Council	STAT	AC	Q4 2024/25
BV Controller of Audit report: East Renfrewshire Council	STAT	AC	Q4 2024/25
Scottish National Investment Bank [PROPOSED]	PA	AGS	Q4 2024/25

Summary of agreed products 2025/26 and beyond

Product	Type	Author	Proposed Publication Q/Y
Care experienced young people [PROPOSED]	BR	Joint	Q1 2025/26
Adapting to Climate Change	PA	Joint	Q1 2025/26
Best Value Thematic Report: workforce innovation	BR	AC	Q1 2025/26
BV Controller of Audit report: East Lothian Council	STAT	AC	Q1 2025/26
BV Controller of Audit report: Shetland Islands Council	STAT	AC	Q1 2025/26
BV Controller of Audit report: Argyll and Bute Council	STAT	AC	Q2 2025/26
BV Controller of Audit report: East Ayrshire Council	STAT	AC	Q3 2025/26
BV Controller of Audit report: Aberdeenshire Council	STAT	AC	Q3 2025/26
BV Controller of Audit report: South Lanarkshire Council	STAT	AC	Q3 2025/26
BV Controller of Audit report: Comhairle nan Eilean Siar	STAT	AC	Q4 2025/26
BV Controller of Audit report: Glasgow City Council	STAT	AC	Q4 2025/26
Annual Assurance and Risks Report (AARR) (Internal)	AR	AC	Q4 2025/26
Local Heat and energy efficiency strategies	PA	AC	Q4 2025/26

Summary of pipeline products as at Jan 2024 (not yet confirmed):

Product	Type	Author	Proposed Publication Q/Y
Ferries follow-up TBC	OT	AGS	Q1 2024/25
Community Justice	BL	AGS	Q2 2024/25
Legal Aid reform	BL	AGS	Q3 2024/25
National Care Service	BL	Joint	Q4 2024/25
NHS in Scotland 2024	OV	AGS	Q4 2024/25
School education/outcomes	TBC	Joint	Q2 2025/26
BV in Policing	OT	AGS	Q3 2025/26
Child Poverty	PA	Joint	Q3 2025/26
Digital Common Platforms	PA	AGS	TBC
NHS in Scotland 2025	OV	AGS	Q4 2025/26
Community Justice	PA	Joint	Q1 2026/27
Early Learning and Childcare Outcomes	PA	Joint	Q4 2026/27

Purpose

1. This report was formerly known as the Secretary's report, but has been renamed to better reflect its purpose – namely, to provide an update on significant recent activity relating to local government.
2. Much of the content of this report is derived from the weekly digests of media and Parliamentary mentions, Parliamentary committee updates, consultations and other relevant news updates, which are provided to members by Audit Scotland's Communications Team and are available through the [members' SharePoint site](#).
3. The report is complemented by monthly updates on the activities of the Chair and the Controller of Audit, which are also standing items on the agenda.

Recommendations

4. The Commission is invited to:
 - Note this report and consider any implications for its work programme. Agree to the recommendations highlighted at the end of this report and advised verbally during the meeting regarding responses to consultations.

Recent publications and engagement

5. Below are details of the media coverage, download statistics and social media engagement for reports issued recently by the Commission, followed by analysis of these figures.
 - [Best Value in Dundee City Council](#) (30 Nov 2023; stats deferred from January report).
 - Engagement statistics:
 - 428 report downloads
 - 3,800 views, 4,050 video views and 115 engagements on LinkedIn, Facebook, Instagram and Twitter (now called X); 7% engagement rate.
 - [A renewed focus on the sustainability of social care](#) (blog; 14 December 2023).
 - Media coverage: Scottish Housing News [reproduced the blog on its website](#).
 - Engagement statistics:
 - 279 website page views
 - 3,200 views and 150 engagements on social media; 8% engagement rate.
 - [Best Value in Dumfries and Galloway Council](#) (11 January 2024).
 - Media coverage: [BBC News](#), [STV News](#), [Daily Record](#), [The MJ](#) (online); Dumfries and Galloway Standard (print).

- Engagement statistics:
 - 243 report downloads
 - 2,900 views, 820 video views and 215 engagements; 7% engagement rate.
- **Local Government in Scotland: Financial Bulletin 2022-23** (16 January 2024).
 - Media coverage:
 - BBC Radio Scotland '[Good Morning Scotland](#)' (listen 11:50-17:00)
 - BBC Breakfast: Scotland news updates
 - Clyde 1, Forth One, Northsound 1 local radio
 - [STV News](#), [Daily Record](#), [Herald](#), [Holyrood](#), [Scottish Housing News](#) (online)
 - Daily Record, Scotsman, The i, The Times, Press and Journal (print)
 - [Public Finance article](#) featuring an interview with Ronnie Hinds.
 - Engagement statistics:
 - 671 report downloads; 455 website page views
 - 10,800 views, 1,730 video views and 355 engagements; 16% engagement.
- **Renfrewshire Council: School accommodation for Dargavel Village** (18 Jan 2024).
 - Media coverage:
 - [BBC News](#), [STV News](#), [Daily Record](#), [Herald](#), [Renfrewshire Gazette](#)
 - Pre-publication: [BBC News](#), [Daily Record](#), [Glasgow Times](#), [Herald](#)
 - Engagement statistics:
 - 385 report downloads
 - 3,100 views, 1,170 video views and 170 engagements; 6% engagement.
 - Supported by a blog by Allan Campbell, Secretary to the Commission: [How the Accounts Commission holds local government to account](#) (18 January).
- **Best Value in Orkney Islands Council** (30 January 2024).

Engagement statistics and Media coverage information to follow in March

6. In addition, quarterly and annual download statistics for Commission publications are provided to supplement the regular monthly statistics. The figures covering the periods up to and including December 2023 are available in Appendix 1 to this report.

Analysis

7. In social media terms, the engagement rate for each of these reports is fairly high. To explain, the engagement rate calculates the total number of engagements with our posts on a social media 'platform' (website/app) as a proportion of the number of people following our account on that platform; the figures above are an average across the platforms used. Typical engagement rates have declined in recent years, and now range from 1% to 5%.

8. That the reports above had an average engagement rate of 6-8% – and the Financial Bulletin recorded an exceptional 16% – suggests that the people following the relevant account (Accounts Commission on Twitter, Audit Scotland on other platforms) are relatively active in terms of seeing and responding to our posts.
9. As well as a high engagement rate, we are also seeing a rise in followers of the Accounts Commission’s account on Twitter – exceeding the 1,000 mark for the first time and rising further by around 30 followers in January, compared to previous growth of 2 per month. This is in contrast to the overall trend of a sharp drop in the number of accounts and regular users of Twitter/X since its takeover by Elon Musk and subsequent changes to the platform.
10. We have also started promoting Commission meetings on LinkedIn (in addition to Twitter), and this has been proving popular, too – our audience here engages well with this and other Commission content. Increasingly, social media users – and the technology that determines what posts appear on their ‘newsfeeds’ – favour posts that provide information ‘in place’ rather than having to go elsewhere via a link. LinkedIn is particularly effective for this, especially as a ‘professional’ platform that people often go to for work-related information.
11. A significant driver of engagement with Accounts Commission content on social media is the ‘resharing’ of posts by Commission members, as well as external stakeholders such as COSLA and the Improvement Service. For example, the social care blog was widely shared, so although page views were relatively low, the Commission’s message reached a large relevant audience. Future analysis will cover this ‘depth’ of engagement as well as raw data.

Media and Parliamentary monitoring

12. In First Minister’s Questions on 11 January, Neil Bibby MSP (Labour, West Scotland) [raised the issue of school accommodation at Dargavel](#), referring to the Commission’s discussion of the matter that day and asking the First Minister about confidence in the council and what financial support the Government will provide. The First Minister said the council “will have to reflect very hard on how it will rebuild trust with parents”, referred to the Scottish Budget which he said provides “a significant uplift to local government”, and noted that while the Scottish Government will continue to engage, the matter is the responsibility of the council.
13. The Commission was referenced several times during Committees’ scrutiny of the Scottish Budget. In particular, the Local Government, Housing and Planning (LGHP) Committee’s evidence sessions with COSLA and the Scottish Government – which took place on the same day that the Local Government Financial Bulletin was published – discussed:
 - contrasting statements about trends in local government revenue funding, with reference to Accounts Commission reports
 - the concerns about council finances reported in the LGIU’s research, which were said to be “backed up” by the Financial Bulletin
 - the Minister, Joe FitzPatrick, concluding from the Financial Bulletin that “Scottish local government is in a very different position from local government in England”, and stating a need to work to ensure that the position of no councils being fiscally unsustainable in the short term continues, which the fiscal framework will help with.
14. There have been various other references to the Accounts Commission in Committees and in the Parliament Chamber, particularly to the Local Government Financial Bulletin’s finding

that councils faced a total budget gap of £725 million for 2023/24. For example, there was an [exchange during Finance Portfolio Questions](#) on 17 January in which Mr FitzPatrick was asked a number of questions about local government funding.

15. The [Clydebank Post](#) reported on the Best Value thematic report on West Dunbartonshire Council (WDC). The report, a precursor to the Controller of Audit's forthcoming Section 102 report, was presented at a Council meeting on 20 December, after which the council [issued a news release](#) highlighting the report's praise for its "work to support residents affected by the cost-of-living crisis, reduce inequalities and combat climate change".
16. The Orcadian newspaper [reported in some detail](#) on the Commission's discussion of the Controller of Audit's report on Orkney Islands Council. The article focuses on the issue of how the council will "plug a £27 million funding gap" over the next five years, including consideration of its approach to use of reserves and the likelihood of achieving savings.
17. A final proposal for a [Freedom of Information Reform \(Scotland\) Bill](#) was lodged by Katy Clark MSP, who subsequently secured the right to introduce a formal Member's Bill on the subject. The draft proposal, which was consulted on in winter 2022/23, proposed that compliance with freedom of information law could be included as part of the annual audit of councils' and other public bodies' performance, as well as "in thematic reports and the issuing of independent assurance to the people of Scotland on the spend of public money". We will monitor the progress of the Member's Bill including any further consultation.
18. The Scottish Commission for Public Audit (SCPA) took evidence from Audit Scotland on its [budget proposal for 2024/25](#), at a meeting on 11 December 2023. The SCPA subsequently requested additional information and clarification (including regarding a breakdown of the costs for Accounts Commission members), which were provided in a [letter from Audit Scotland](#) on 20 December 2023.

Scottish Budget

Overview

19. Following its publication and announcement on 19 December, MSPs will debate the Scottish Budget at Stage 1 on 8 February. Stage 3 of the Budget Bill is provisionally set for 27 February, along with the Local Government Finance Order, which confirms the funding for local government. [Provisional allocations for each authority have already been published](#).
20. The Scottish Government says the Budget means councils will receive "a record £14 billion funding settlement" – a real-terms increase of 4.3% on the previous year – if they agree to freeze council tax, for which £144 million is being offered. In his evidence to the LGHP Committee, Joe FitzPatrick stated:

"We have prioritised local government in the budget, so a larger share of Scotland's discretionary budget is now going to local authorities, but they will still have tough decisions to make, as they go forward. Part of the approach to dealing with that will involve public service reform, which has to happen across Scotland unless something changes with regard to the quantum of budgets."
21. In its detailed [Briefing on the Scottish Budget 2024/25](#), the Scottish Parliament Information Centre (SPICe) presented figures for the Local Government revenue settlement that show a cash increase of 6.8% – 5% in real terms – compared to the 2023/24 Budget. This, SPICe said, is "one of the largest year-on-year increases ... seen over the past decade".

LG Revenue	2023-24 Budget	2024-25 Budget	Real-terms change, £m	Real-terms change, %
General Revenue Grant	7,133.9	8,265.3	+1,131.4	+15.9%
Non-Domestic Rates	3,047.0	3,017.4	-29.6	-1.0%
Specific Resource Grants	752.1	234.86	-517.2	-68.8%
Revenue within other portfolios	1,471.8	1,509.1	+37.3	+2.5%
Total revenue settlement	12,404.8	13,026.6	+621.8	+5.0%

- 22.** The figures also show a significant shift from specific ('ring-fenced') grants to core funding. Overall, SPICe estimates that 13% of the total revenue settlement for 2024/25 consists of ring-fenced or transferred funding – down from 18% in each of the last two years' Budgets but still slightly higher than the 11% seen in each of the previous two years.
- 23.** On capital funding, the SPICe briefing finds a significant reduction in both cash terms (22.8%) and real terms (24.1%) compared to the 2023/24 Budget. More than half of this is accounted for by the switch into the General Revenue Grant (GRG) of £120.6 million of funding for pay deals, which was previously provided as capital and then transferred to revenue (conversely, this explains some of the increase in revenue funding).

Independent analysis

- 24.** Before the Budget was announced, the [Fraser of Allander Institute \(FAI\) published analysis](#) that included the following estimated costs of 'fully funding' the council tax freeze:

- £148 million to cover a repeat of councils' 2023/24 increases (averaging 5.4 per cent)
- £229 million to cover an average increase of 8 per cent

The FAI added that, if taking into account the cancellation of the multipliers that had been consulted on in summer 2023 – and which councils might have incorporated into earlier budget plans – the total cost of funding the council tax policy announcement would be:

- £329 million based on 2023/24 increases (averaging 5.4 per cent)
- £415 million based on an average increase of 8 per cent

The Scottish Government has cited the FAI's £148 million figure above, stating that the £144 million that it has offered to councils to fund the freeze is comparable to it.

- 25.** The Institute for Fiscal Studies (IFS) published an [initial analysis of the Scottish Budget](#) which stated the figures reported "will flatter the comparison" between 2023/24 and 2024/25 as they exclude funding for pay deals provided in the current financial year, but include this funding in the 'increased' figures for the next year. The IFS was also cautious about the difficulty of making a comparison because a number of grants are being rolled into the GRG

whilst also providing separate grants with the same or similar names for the coming year, and was to seek clarity on the relationship between these before making firm conclusions.

26. The IFS did, however, point out that the £144 million offered by the Scottish Government for the Council Tax freeze is not an addition to their overall funding, but “simply replaces what they could raise from 5% council tax increases themselves” – money which they could decide to accept, or refuse in favour of going ahead with imposing a (larger) increase on council tax payers (which we know the vast majority of councils had planned to).

COSLA response

27. COSLA issued a [detailed response to the Budget](#) on 21 December, following a meeting of council leaders. The response stated that the Scottish Government had “delivered a major blow to communities” and also that the Budget had left councils at “real and significant financial risk”, with a likelihood of cuts to services and job losses across local government.
28. The statement was accompanied by an updated version of COSLA’s [‘Budget Reality’](#) analysis of the revenue and capital funding provided, compared to what was expected and considered to be required, taking into account various changes in how funding is to be provided following the removal of some ‘ring-fencing’. The conclusion of this analysis was that there is a £62.7 million cut, in cash terms, to core revenue funding, and a £54.9 million cash-terms cut to overall capital funding. See the next section for other, independent analysis of the Local Government Settlement for 2024/25.
29. COSLA was also strongly critical of the Scottish Government for not honouring “the Verity House Agreement rhetoric about working together on shared priorities”. At the beginning of January, it issued a series of statements describing the budget as “a missed opportunity for the communities of Scotland”, with variations of this theme in relation to [tackling poverty](#), a [just transition to net zero](#), and [public service reform](#). The last of these contrasted increases in capital funding for other public services with a 21% cut for local government.
30. On the Council Tax freeze, COSLA has argued that, although the Scottish Government has offered £144 million to fund the council tax freeze – equivalent to a 5% increase – the £63 million cut to core revenue funding as presented in its ‘Budget Reality’ means [there is effectively only £81 million available](#) to fund a freeze, equating to a 2.8% rise.
31. Following their meeting on 26 January, [COSLA issued a statement](#) welcoming the £144 million of funding earmarked but insisting that councils must still have the discretion to set their own council tax level. The statement also highlighted the lack of any additional funding for new pay deals, and called for the full Barnett consequential of the £600 million of extra funding for councils in England, to be passed on to local government in Scotland.
32. [It had been reported](#) prior to the meeting that COSLA officers were recommending to Leaders that they pursue discussions with the Scottish Government over a cap on the percentage by which councils can increase council tax, enabling the £144 million to be used more flexibly, including to cover the £63 million cut to core revenue funding.
33. Meanwhile, [the Herald reported](#) that the City of Edinburgh Council – among others – is actively considering going ahead with a council tax rise, as it would be better off doing so. The council has projected that its share of the £144 million would leave it £1.4 million short of its current planning assumptions – therefore an increase of 5% or more would generate

more income than accepting the Government funding. It's understood that councils will not face penalties from the Scottish Government for increasing council tax.

Other local government finance issues

34. The UK Government has announced that [councils in England will receive £600 million of additional funding](#) in the forthcoming local government finance settlement, including £500 million for children's and adults' social care (for councils with responsibility for those services). The Government says this new funding means an "increase in core spending power" of up to £4.5 billion next year, or 7.5% in cash terms. The funding package has been welcomed by some councils but is less than many were seeking, and it's expected that councils will still need to cut services and propose the maximum permitted council tax rise.
35. In his [written statement to Parliament](#) announcing the additional funding, the Secretary of State for Levelling Up, Housing and Communities, Michael Gove, said local authorities will have to produce "productivity plans" setting out how they will improve service performance and "reduce wasteful expenditure" to ensure value for money, singling out "discredited equality, diversity and inclusion programmes" as a particular area for consideration.
36. [BBC analysis](#) has shown that councils across the UK owe a combined £97.8 billion to lenders (equivalent to around £1,400 per person) – ranging from no borrowing by 10% of councils, to an equivalent debt of £19,000 per person at Woking. Three Scottish councils featured in the 'top 10' for average debt per person – Comhairle nan Eilean Siar, Aberdeen City and East Lothian. Chair of the Public Accounts Committee at Westminster, Meg Hillier, highlighted "squeezed spending power" and ageing populations as driving factors, adding that the amounts spent by councils to service those debts risks hampering their ability to pay for vital services in the future, and warning of the impact if more councils go bust.
37. Birmingham City Council has [warned of up to 600 redundancies](#) – more than 5% of its workforce – as part of plans to deliver £300 million of cuts over the next two years. The authority said it would begin consultation with unions and staff immediately – although the GMB expressed disappointment at not being advised of the news before it was made public. The 600 jobs do not include posts deleted through a revamp of the organisation or which are already vacant. The council owes more than £2.9bn to lenders – the most debt of any council in the country (although it is also the largest local authority).

Policy area updates

National Care Service

38. The Scottish Parliament has agreed a further extension to Stage 1 of the [National Care Service \(Scotland\) Bill](#) – the deadline is now 1 March 2024. The Health, Social Care and Sport (HSCS) Committee will produce its report on the Bill ahead of the Stage 1 debate. The HSCS Committee has been exchanging correspondence with the Minister, Maree Todd, which can be viewed [on the Scottish Parliament website](#). In a letter on 10 January 2024, Ms Todd made clear that the Scottish Government will not withdraw the Bill, and will work with the Committee on appropriate timescales and amendments at Stage 2.
39. Meanwhile, the Finance and Public Administration Committee is [scrutinising the revised Financial Memorandum](#) to the Bill, and will produce an updated report on the finances associated with the Bill ahead of the Stage 1 debate. The Committee took evidence from

Scottish Government officials and from the Minister on 23 and 25 January, focusing on the revised financial information provided by the Minister in December and expressing concern about a continuing lack of clarity and certainty about the proposed changes and their costs.

Health and social care

40. The Scottish Parliament has agreed a further extension to Stage 1 of the [National Care Service \(Scotland\) Bill](#) – the deadline is now 1 March 2024. The Health, Social Care and Sport (HSCS) Committee will produce its report on the Bill ahead of the Stage 1 debate. The HSCS Committee has been exchanging correspondence with the Minister, Maree Todd, which can be viewed [on the Scottish Parliament website](#). In a letter on 10 January 2024, Ms Todd made clear that the Scottish Government will not withdraw the Bill, and will work with the Committee on appropriate timescales and amendments at Stage 2.
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42. Natalie Don, Minister for Keeping the Promise, has [written to the UK Government](#) calling for statutory parental leave rights to be extended to kinship carers – those caring for a child on behalf of a friend or relative, full time. There are more than 7,000 children in kinship care across Scotland. As it stands, UK Government guidance means these carers are reliant on the “good will” of employers to secure paid time off to look after the children in their care.

Housing

43. Fife Council is reported to be [on the verge of declaring a housing emergency](#) amid record levels of homelessness in the region. Councillors say they will have “no choice” but to follow Edinburgh, Glasgow and Argyll & Bute councils’ lead unless it receives urgent financial support. Homelessness in Fife rose by 7% in 2022/23, with more than 1,900 households currently classed as homeless and waiting for tenancies, and 1,000 families living in temporary accommodation every night. However, it says the Scottish Government has cut the funding for new affordable houses by 26 per cent this year, saving £190 million but putting its pledge for building hundreds of new council homes at risk.
44. New legislation has been introduced to Parliament that would enable councils to increase their affordable housing stock without having to pay a tax on additional properties. Under changes to the Additional Dwelling Supplement (ADS) – an extra charge on additional properties like second homes, rental properties, and holiday homes – the [Land and Buildings Transaction Tax \(Miscellaneous Amendments\) \(Scotland\) Order 2024](#) will also give buyers moving between properties more time to sell their original home whilst still being eligible to reclaim ADS, as well as other specific exemptions.
45. New regulations have been laid in Parliament aimed at [protecting private tenants concerned about rent increases](#) following the ending of the emergency rent cap. The temporary rent cap and eviction moratorium protections brought in by the Cost of Living (Tenant Protection) Act 2022 will no longer apply from 1 April 2024. From that date onwards, subject to parliamentary approval, the process for rent adjudication will temporarily be modified for one

year, ensuring that in the event of a dispute, rent will be set based on the lowest of three alternative figures including open market rate.

46. Ukrainian people seeking refuge from the war are to be supported to access longer-term housing, under [new plans jointly announced by the Scottish Government and COSLA](#) to further reduce the number of displaced people in Scotland living in temporary welcome accommodation. Ukrainians arriving in Scotland for the first time through the Super Sponsor scheme and entering welcome accommodation will now be supported by local authorities to identify two longer-term accommodation options. Temporary welcome accommodation will be available for a maximum of six months, but may be extended in certain circumstances.

Climate change

47. The Scottish Government is [distributing £1 million of funding from its Coastal Change Adaptation Programme](#) to ten projects designed to highlight good practice in tackling coastal erosion. The funding – part of £12 million committed during the course of the current Parliament – will also be used to support engagement with local people, businesses and infrastructure owners on the process for developing coastal change adaptation plans, and for improvements to the monitoring of coastlines. Three of the projects are in Moray, with others in Highland, Angus, Fife, Edinburgh, North and South Ayrshire and Argyll & Bute.

Scottish Parliamentary committees

48. Recent Parliamentary committee business is as follows.

Local Government, Housing and Planning (LGHP) Committee

49. The [LGHP Committee](#) took evidence on and/or considered:
- [Council Tax \(Variation for Unoccupied Dwellings\) \(Scotland\) Amendment Regulations](#), which enable councils to increase council tax on second homes by up to 100%; the Committee subsequently approved these Regulations
 - The New Deal with Local Government
 - Budget Scrutiny 2024/25 – the Committee took evidence from Council Directors of Finance, COSLA and the Scottish Government
 - Its draft Stage 1 report on the [Visitor Levy \(Scotland\) Bill](#) – the Committee subsequently published its [final report](#) (as referenced in the December edition of this report)
 - The [Housing \(Cladding Remediation\) \(Scotland\) Bill](#)
 - Its approach to scrutiny of the Scottish Government’s housing vision, [Housing to 2040](#)
 - Its approach to pre-legislative scrutiny of Community Wealth Building
50. The Committee received the following correspondence:
- Reinforced Autoclaved Aerated Concrete (RAAC) – [letter from the Cabinet Secretary for Social Justice](#), 21 December
 - Standards Commission and Ethical Standards Commissioner – a [follow-up letter](#) to an earlier evidence session, providing responses to questions including regarding monitoring officers and the Councillors’ Code of Conduct

- Visitor Levy (Scotland) Bill – the [Minister’s response to the Stage 1 report](#)
- Cost of Living (Tenant Protection) (Scotland) Act 2022 – a [letter from the Minister](#) detailing intentions for transitional support (see Housing section above)

51. The [Committee has also written to Tom Arthur](#), Minister for Community Wealth and Public Finance, asking for updates and clarifications from the Scottish Government regarding: Democracy Matters and the Local Governance Review; complaints procedures for community council members; and the review of the Community Empowerment Act.

Public Audit Committee

52. The [Public Audit Committee](#) took evidence on:

- The 2022/23 audit of the Scottish Government Consolidated Accounts
- Adult mental health (from the Chief Executive of NHS Scotland)
- Scotland’s colleges 2023
- The 2022/23 audit of NHS Forth Valley

Finance and Public Administration (FPA) Committee

53. The [FPA Committee](#) took evidence on Budget Scrutiny from the Office for Budget Responsibility, the Scottish Fiscal Commission, the Fraser of Allander Institute and a range of other analysts and representative bodies. The Committee then hosted its debate on the Budget in the Chamber on Thursday 1 February.

54. The Committee also took evidence on the National Care Service (Scotland) Bill Financial Memorandum (see Health and Social Care section above).

55. Meanwhile, the Committee [received and published a letter](#) from the Deputy First Minister and Cabinet Secretary for Finance, detailing the Scottish Government’s response to the Committee’s report on its Pre-Budget Scrutiny. (A number of other committees also received responses from relevant Cabinet Secretaries, providing the Scottish Government’s specific responses to those Committees’ Pre-Budget Scrutiny – details available on request.)

Other Committees

56. Meanwhile, the following have been the subject of evidence-taking by Committees (links to any specific evidence sessions are available on request):

- [Agriculture and Rural Communities \(Scotland\) Bill](#)
- Artificial intelligence and education
- [Children \(Care and Justice\) \(Scotland\) Bill](#)
- [Circular Economy \(Scotland\) Bill](#)
- [Gender Representation on Public Boards \(Amendment\) \(Scotland\) Bill](#)
- Grangemouth
- Healthcare in remote and rural areas
- Just Transition for the North East and Moray
- National Outcomes
- Police Scotland vision and priorities
- Post-school education and skills reform

- Scottish Biodiversity Strategy (draft Delivery Plan)
- Scottish Tourism and Hospitality
- Ukraine
- [Victims, Witnesses, and Justice Reform \(Scotland\) Bill](#)

COSLA and Improvement Service updates

- 57. [Place Based Investment Interim Report \(PBIP\) published](#)** – this report, the first evaluation report of the PBIP, covers the 2021/22 financial year and highlights how local authorities have used the investment from Scottish Government to support the [Place Principle](#) through projects that have been wide-ranging in terms of the national outcomes achieved and the level of investment. A further report, covering 2022/23, will be published in early 2024.
- 58. [Former COSLA Chief Executive awarded OBE](#)** – COSLA issued a statement from its President, Shona Morrison, congratulating former Chief Executive Sally Loudon on being awarded an OBE in the New Year Honours. Ms Loudon stepped down in June 2023 after seven years in post and with 30 years' experience in leadership roles in local government.

Updates on previous queries

- At the Commission's January meeting, a recommendation was made not to respond to two of the consultations referenced in the Local Government Policy Update report – on a new Social Housing Net Zero Standard in Scotland and on proposals for a Heat in Buildings Bill. [We have since received the following, more detailed explanation of the rationale behind this recommendation \(which has already been shared with Jennifer Henderson, who asked a question about this during the meeting\)](#) We have since received the following, detailed rationale behind this recommendation: The questions in both consultations are solely focused on the detail of what should be included in future legislation / policy in these areas. As such, it isn't appropriate for us to respond, as this could introduce a conflict of interest if we were to audit progress against these policies in future.
 - Our responses to consultations tend to focus on areas where we have a view as auditors, and only usually where we have audit work to draw on to support our response. For example, we may offer a view (based on audit work) on proposed governance arrangements, monitoring and evaluation frameworks, or the potential implications of an approach for financial sustainability.
 - On the specific topics, Audit Scotland's work programme reflects the interests of the Commission and the Auditor General in these areas. The Auditor General published a performance report on decarbonising heat in homes on 1 February 2024 (which refers to both of the above consultations) and the Commission's work programme includes a joint performance audit in 2025/26 on Local Heat and Energy Efficiency Strategies.
- 59.** Also at the January meeting, the Commission agreed that a response should be submitted regarding the Wellbeing and Sustainable Development Bill, with approval of the response delegated to the Chair and Secretary. This response is currently being drafted and will be shared with members for information once it is finalised.

Consultations

- 60.** As of January 2024, we have implemented a new process for handling and responding to consultations and calls for views, in line with guidance recently agreed with Audit Scotland colleagues. The key steps in this process are as follows:
- When a consultation (or call for views) opens, it is recorded on a consultation log by a member of Audit Scotland staff, who notifies the Policy Manager to the Commission and liaises with them to produce a short proposal on whether or not to respond
 - The Secretary to the Commission reviews and approves the proposal
 - This report will include a recommendation on whether or not to respond to the consultation, for the Commission to agree or disagree
 - In the event of a decision to respond to the consultation, Audit Scotland staff draft a response and liaise with the Secretary on the most appropriate means of gaining Commission approval; this will be influenced by:
 - the degree to which the response is purely factual, or provides comment
 - the sources of evidence used
 - the deadline for submitting the response.
 - Where a response is approved other than by the full Commission, the Secretary shares the response with all members via email for their information.
- 61.** At the time of writing, no new Scottish Government consultations had been added to the consultation log in the past month. The Finance and Public Administration Committee's call for views on "[Scotland's Commissioner Landscape: A strategic approach](#)" (*closing date: 11 March*) is on the log, but it is expected that this will be responded to by Audit Scotland.
- 62.** The Secretary will advise verbally during the meeting of any changes or updates in relation to this or any other consultations.

Appendix 1: Quarterly publication statistics – review of 2023

The table below shows the number of downloads of reports, or page views of blogs and web content, in each quarter of 2023, for publications issued in 2023.

Publication	Date	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
Social care sustainability (blog)	14 Dec	n/a	n/a	n/a	181	181
Best Value in Dundee City Council	30 Nov	n/a	n/a	n/a	338	338
Best Value in South Ayrshire Council	2 Nov	n/a	n/a	n/a	431	431
20 years of Best Value (blog)	26 Sep	n/a	n/a	105	134	239
Best Value in Scotland	26 Sep	n/a	n/a	242	537	779
Adult mental health	13 Sep	n/a	n/a	1,341	1,820	3,161
S102 Glasgow equal pay	24 Aug	n/a	n/a	155	211	366
Accounts Commission annual report	29 Jun	n/a	60	229	259	548
City Region and Growth Deals	22 Jun	n/a	416	480	282	1,178
Public audit in Scotland 2023-28	20 Jun	n/a	249	453	600	1,302
Early learning and childcare	01 Jun	n/a	1,238	533	674	2,445
Local Gov Overview 2023 (web)	17 May	n/a	2,450	684	354	3,488
Local Government Overview 2023	17 May	n/a	1,881	1,159	1,470	4,510
Homelessness affects us all (blog)	27 Apr	n/a	696	102	59	857
Mainstreaming equality 21-23 (web)	25 Apr	n/a	590	124	57	771
IJBs financial analysis 2021/22	06 Apr	n/a	886	243	377	1,506
Progress on education data (blog)	30 Mar	57	273	125	94	549
Learning lessons of Covid-19 (blog)	29 Mar	127	135	73	21	356
Financial response to Covid-19 (web)	29 Mar	299	723	594	175	1,791
Reporting on housing benefit (blog)	15 Feb	152	31	10	13	206
Resourcing the benefit service	15 Feb	332	131	92	248	803
Pub. sec. gender pay gap reporting	07 Feb	969	243	188	139	1,539
Local Gov Financial Bulletin 2021/22	12 Jan	1,267	432	438	450	2,587

‘Top 10’ publications

The table below shows the approximate total number of downloads of reports (or page views of blogs and web content) in 2023 for the 10 most-read publications, and an approximate number of downloads / page views per month, to account for those which were available for less time.

Publication	Total	Months	Per month
Local Government Overview 2023	4,500	7.5	600
Local Gov Overview 2023 (web)	3,500	7.5	475
Adult mental health	3,150	3.5	900
Local Gov Financial Bulletin 2021/22	2,600	11.5	225
Early learning and childcare	2,450	7	350
Financial response to Covid-19 (web)	1,800	9	200
Public sector pay gap reporting	1,550	11	150
IJBs financial analysis 2021/22	1,500	9	175
Public audit in Scotland 2023-28	1,300	6.5	200
City Region and Growth Deals	1,200	6.5	175

Analysis

The Local Government Overview was by far the most-read output by the Commission in 2023, but two performance audit reports also had a significant number of downloads.

On the website, the Overview report is accessed via the web version, a link to which was used in our communications – this explains the higher number of web views than report downloads initially. However, later in the year, report download numbers remained strong and exceeded web views; this suggests the report was often accessed via direct links and browser bookmarks.

The Adult mental health joint performance audit report had the most downloads per month, with a large number of downloads in the first 3 weeks after publication and in the following 3 months (likely supported by the Public Audit Committee’s series of roundtable evidence sessions in November, which involved a wide range of stakeholders). The Early learning and childcare performance audit also had above-average downloads per month.

Future developments

This data provides some insight into how widely the Commission’s publications are read, and a comparison of this between reports. However, this is just one measure of our engagement and impact. A revised Communications and Engagement Strategy for the Commission is due to be developed soon, and this will inform future analysis of website as well as social media data.